

## Message Text

CONFIDENTIAL

PAGE 01 ACCRA 06967 01 OF 02 251407Z  
ACTION AF-10

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-10 LAB-04  
NSAE-00 SIL-01 TRSE-00 /034 W  
-----107410 251436Z /50  
R 250801Z AUG 78  
FM AMEMBASSY ACCRA  
TO SECSTATE WASHDC 5286

C O N F I D E N T I A L SECTION 1 OF 2 ACCRA 6967

ALSO PASS DEPT OF LABOR

EO 11652: GDS  
TAGS: ELAB, GH  
SUBJ: LABOR UNREST IN GHANA

REF: ACCRA 6626

1. SUMMARY: WHILE THE BREWERY WORKERS HAVE REPORTED BACK TO WORK LABOR UNREST APPEARS TO BE ON INCREASE. THE LABOR SITUATION IN GHANA APPEARS TO BE HEADING TOWARDS A CLIMATE OF GENERAL UNREST AS POLITICAL MOVEMENT TOWARD A TRANSITIONAL GOVERNMENT CONTINUES. THIS CLIMATE CARRIES THE POTENTIAL FOR MAJOR POLITICAL PROBLEMS, ESPECIALLY DURING THE UP-COMING TRADITIONAL CHRISTMAS SHOPPING PERIOD, WHICH GOG OFFICIALS ARE NOTING AS PART OF THEIR CASE FOR PROMPT BALANCE OF PAYMENTS SUPPORT FROM DONORS. END SUMMARY.

2. AS NOTED IN REFTEL, WORKERS OF ALL FOUR BREWERIES IN GHANA COMMENCED A SITDOWN STRIKE AUGUST 2. THEIR PRINCIPAL COMPLAINT WAS REFUSAL BY MANAGEMENT TO AGREE TO BARGAIN FOR BETTER WAGES IN ACCORDANCE WITH A WAGE REOPENER CLAUSE IN THEIR CONTRACT. MANAGEMENT ASKED FOR ONE YEAR DELAY CLAIMING THAT A LACK OF IMPORT LICENSES AND LETTERS OF CREDIT AND HENCE RAW MATERIALS MADE THEM UNABLE TO AGREE TO WAGE DISCUSSIONS. (THE TRADE UNION CONGRESS HAS REJECTED  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ACCRA 06967 01 OF 02 251407Z

LACK OF IMPORT LICENSES/LETTERS OF CREDIT AS REASONS FOR FAILING TO RENEGOTIATE.) ACCORDING TO BREWERIES MANAGEMENT THE INDUSTRIAL AND COMMERCIAL WORKERS UNION (ICU) AFTER A JULY MEETING ASKED FOR RECESS IN TALKS UNTIL AUGUST 23, ALLOWING MANAGEMENT TIME TO IMPROVE THEIR STOCK POSITION AND BETTER DETERMINE WHETHER BREWERIES WERE IN POSITION TO OFFER WAGE AND SALARY INCREASES. MANAGEMENT CONTENTS

THAT, WITHOUT WAITING FOR PERIOD TO END, AND "WITHOUT RHYME OR REASON AND IN CONTRAVENTION OF THE INDUSTRIAL RELATIONS ACT AND CURRENT COLLECTIVE AGREEMENT, THE ENTIRE LABOR FORCE UNILATERALLY WITHDREW THEIR LABOR ON THE 2ND OF AUGUST."

3. FOLLOWING WALKOUT BREWERY WORKERS ALLEGEDLY "WENT ON A RAMPAGE AND STARTED TO CONSUME AND DESTROY FINISHED PRODUCTS AND BOTTLES" AT SOME BREWERIES. (EXACTLY WHICH ONES AND EXTENT OF DAMAGE NOT CLEAR.) MANAGERS ALSO ALLEGE THAT EMPLOYEES ASSAULTED SOME OF MANAGEMENT STAFF, ONE OF WHOM REPORTEDLY WAS STABBED. ALL FOUR BREWERIES CLOSED THEIR FACILITIES TO, IN THEIR WORDS, "PREVENT FURTHER DAMAGE TO LIFE, LIMB AND PROPERTY." TALKS BETWEEN UNION AND MANAGEMENT REACHED IMPASSE WITH BREWERIES DEMANDING THAT WORKERS WHO HAD WALKED OFF JOBS INDIVIDUALLY REAPPLY FOR EMPLOYMENT AND SIGN PLEDGE OF GOOD BEHAVIOR AS CONDITION FOR BEING ALLOWED TO WORK AGAIN. WORKERS REFUSED SAYING THAT THE REQUIREMENT WAS TANTAMOUNT TO LOCKOUT. IN FACE OF THIS STANDOFF, WHICH CLEARLY WAS DEVELOPING POLITICAL REPERCUSSIONS (DWINDLING STOCKS OF BEER CASUED BAR-OWNERS ASSOCIATION TO PUBLICLY OFFER THEIR SERVICES AS MEDIATORS) THE MINISTRY OF LABOR AND SOCIAL WELFARE ENTERED PICTURE ON BEHALF OF GOVERNMENT AND ORDERED BREWERIES TO REOPEN ON BASIS OF INTERIM AGREEMENTS REACHED BETWEEN BREWERIES AND WORKERS WHILE A GOVERNMENT-APPOINTED COMMITTEE WOULD STUDY REMAINING ISSUES AND MAKE RECOMMENDATIONS FOR SETTLEMENT.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 ACCRA 06967 01 OF 02 251407Z

THE COMMITTEE OF ONE, JUSTICE OPARE ADDO, A CIRCUIT JUDGE, IS LOOKING INTO ALLEGATIONS MADE BY BOTH SIDES AS WELL AS DEMANDS BY MANAGEMENT AND UNION, AND WILL MAKE APPROPRIATE RECOMMENDATIONS TO COMMISSIONER FOR LABOR. THE UNION HAS AGREED THAT WORKERS MAY BE ASKED TO SIGN GOOD BEHAVIOR STATEMENTS PROVIDING UNION LEADERS SIGN FIRST, AND TO BE RESPONSIBLE FOR ANY DAMAGES DONE TO PROPERTY AS DETERMINED BY COMMITTEE OF INQUIRY. BREWERIES HAVE REOPENED AND MOST WORKERS ARE BACK AT WORK EXCEPT FOR OVER ONE HUNDRED WHO HAVE BEEN SACKED FOR THEIR IMPROPER BEHAVIOR. THE COMMISSION OF INQUIRY IS GOING ABOUT ITS BUSINESS OF LOOKING INTO BOTH SIDES OF THE DISPUTE EFFECTIVE FROM AUGUST 21.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 ACCRA 06967 02 OF 02 251418Z  
ACTION AF-10

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-10 LAB-04  
NSAE-00 SIL-01 TRSE-00 /034 W  
-----107541 251436Z /50  
R 250801Z AUG 78  
FM AMEMBASSY ACCRA  
TO SECSTATE WASHDC 5287

C O N F I D E N T I A L SECTION 2 OF 2 ACCRA 6967

ALSO PASS DEPT OF LABOR

4. ON ANOTHER LABOR FRONT THE EMPLOYEES OF SEVERAL DIVISIONS OF THE GHANA INDUSTRIAL HOLDING CORPORATION (GIHOC) EMBARKED ON A SITDOWN STRIKE ON AUGUST 17. THE WORKERS LOCKED TOP MANAGEMENT OUT OF THEIR OPERATIONAL AREAS AND MADE A SIX-POINT PROPOSAL/DEMAND: AN ENQUIRY INTO THE FIVE ACTIVITIES FAILING TO SHOW PROFITS (VEGETABLE OIL, FOOTWEAR, STEELWORKS, BRICK AND TILE, AND FIBRE BAG); PUBLICATION OF OUTCOME OF ENQUIRY INTO LOSS OF CEDIES ONE MILLION SEVEN HUNDRED THOUSAND BY LOCAL CANNERY; REMOVAL OF MANAGER OF STEELWORKS DIVISION; MASS TRANSFER OF ALL TOP MANAGEMENT WHO HAVE BEEN IN ONE DIVISION FOR MORE THAN THREE YEARS; AND RECONVENING OF A JOINT NEGOTIATING COMMITTEE ON WORKERS' SALARIES AND PAYMENT OF TEN PERCENT RENT SUBSIDY AS DIRECTED BY THE GOVERNMENT. GIHOC CLAIMED NOT TO HAVE RECEIVED SUCH DEMANDS EXCEPT FOR THE SUBSIDY PAYMENT DEMAND WHICH IT IS STUDYING, SAYS IT IS CLOSING THE FOOTWEAR ACTIVITY (TO FORESTALL FURTHER ALLEGED PROPERTY DESTRUCTION) AND THAT ALL WORKERS WHO FAIL TO REPORT FOR WORK FOR FIVE CONSECUTIVE DAYS WILL BE CONSIDERED AS HAVING VACTED THEIR POSTS. "GHANAIAAN TIMES", A GOVERNMENT-OWNED NEWS ORGAN IN AN AUGUST 18 EDITORIAL, CONDEMNED THE WORKERS FOR THEIR DECISION TO STRIKE, AS HAVING NO BASIS UNDER CURRENT LABOR AGREEMENT. GIHOC WORKERS ANGRILY RESPONED AFTERNOON AUGUST 18 BY BESIEGING TIMES COMPANY PREMISES AND VERBALLY ASSAULTING THE STAFF. CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ACCRA 06967 02 OF 02 251418Z

THE WORKERS AGREED TO RETURN TO WORK ON AUGUST 21 AFTER AN ARBITRATION COMMITTEE WAS APPOINTED.

5. THE NATIONAL SORTERS ASSOCIATION OF THE POST AND TELECOMMUNICATIONS CORPORATION STAGED A SITDOWN STRIKE ON AUGUST 10 IN DEMAND FOR BETTER WORKING CONDITIONS. NEWLY APPOINTED COMMISSIONER OF TRANSPORT AND COMMUNICATIONS GEORGE HARLLEY ASKED WORKERS TO RETURN TO THEIR JOBS WHILE AT SAME TIME REQUESTING MANAGEMENT TO CHANGE ITS ATTITUDES

TOWARDS WORKER DEMANDS. ON AUGUST 14 THE WORKERS DECIDED TO HEED THE URGINGS OF HARLLEY AND UNION LEADERS, AND RETURNED TO WORK, OSTENSIBLY WITH A PROMISE THAT THEIR DEMANDS WOULD BE STUDIES UNDER AUSPICES OF THE COMMISSIONER FOR TRANSPORT AND COMMUNICATIONS.

6. COMMENT: SINCE THE RECONSTITUTED SMC HAS LIFTED PSYCHOLOGICAL LID ON VARIOUS FORMS OF PUBLIC ACTIVITY, UNIONS SEEM TO HAVE STEPPED UP PACE OF VARIOUS DEMANDS LEADING TO A GENERAL CONCLUSION THAT THEY ARE RELEASING PENT-UP FRUSTRATIONS. THESE FRUSTRATIONS INCLUDE CONSTANTLY RISING PRICES FOR PRACTICALLY ALL BASIC COMMODITIES WHICH ARE STILL EXTREMELY SCARCE AND CONTINUING DECLINE IN PURCHASING POWER OF WAGES AND SALARIES. (CONSUMER PRICES ROSE SOME 150 PERCENT IN THE 12 MONTHS ENDING JUNE 1978.) LAST YEAR THE THEN CHIEF OF STATE DECLARED A ONE HUNDRED PERCENT INCREASE IN MINIMUM WAGES, THE EFFECT OF WHICH WAS VERY SOON OVERTAKEN BY INFLATION. THUS, WHILE WE SEE SOME IMPROVEMENT IN THE OUTLOOK FOR GENERAL ECONOMIC POLICY CHANGES, THE ABILITY OF THE AVERAGE WORKER TO PURCHASE IN AMOUNTS ADEQUATE TO CARE FOR FAMILIES IS REDUCED BY THE CONTINUING RISE IN PRICES. UNION LEADERSHIP HAS UP TO NOW BEEN ABLE TO HOLD WORKERS IN LINE, BUT INDEPENDENT STRIKE ACTIONS WITHOUT NECESSARILY HAVING SANCTION OF LEADERSHIP APPEARS TO BE CONFIDENTIAL

CONFIDENTIAL

PAGE 03 ACCRA 06967 02 OF 02 251418Z

INCREASING, INDICATING GROWING LOSS IN ABILITY OF UNION LEADERSHIP TO MEET RANK AND FILE CONCERNS. THERE IS ALSO CONCERN BY BUSINESS LEADERSHIP THAT RECENT UNION ACTIVITY DOES NOT ACCORD WITH COLLECTIVE AGREEMENTS PREVIOUSLY ARRIVED AT. TO SAY THE LEAST, MEMBERS OF GHANAIAN BUSINESS ELITE ARE UNHAPPY AND FEEL THAT FIRM ACTIONS MUST BE TAKEN TO HALT WHAT THEY TERM IRRESPONSIBLE LABOR BEHAVIOR. THIS SITUATION REPRESENTS AN UNDERCURRENT OF COMING PROBLEMS FOR THE GOVERNMENT AS A DECLARED MEDIATOR, AND FOR UNION LEADERSHIP WHICH MUST REPRESENT WORKER'S GROWING DEMANDS OR POSSIBLY FACE LOSS OF THEIR POSITIONS. THIS IS A PROGNOSIS ONLY, BUT EMBASSY WILL BE WATCHING DEVELOPMENTS VERY CAREFULLY SINCE LABOR REPRESENTS AN INSTITUTION THAT WILL MATTER A GREAT DEAL IN THE SLOW MARCH TOWARD CONSTITUTIONAL GOVERNMENT. GOG OFFICIALS INCLUDING HEAD OF STATE AKUFFO, AND ECONOMIC PLANNING COMMISSIONER ABBEY AND BANK OF GHANA GOVERNOR ASHIOGBOR HAVE POINTED TO THIS SITUATION AND ITS POTENTIAL FOR CAUSING MAJOR POLITICAL UNREST TO SUPPORT THEIR APPEALS FOR PROMPT PROGRAM LOANS. THESE WOULD ENABLE THE SMC TO IMPORT NEEDED RAW MATERIALS TO PERMIT IMPROVED OPERATION OF FACTORIES, THEREBY BOOSTING THEIR ABILITY TO MAINTAIN EMPLOYMENT AND, POSSIBLY, PAY HIGHER WAGES, WHILE AT THE SAME TIME PUTTING ADEQUATE GOODS ON STORE SHELVES FOR THE TRADITIONAL CHRISTMAS SHOPPING SEASON. HOLMES

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LABOR, POPULAR RESENTMENT  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 25 aug 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978ACCRA06967  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780348-0788  
**Format:** TEL  
**From:** ACCRA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780820/aaaaaqve.tel  
**Line Count:** 224  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** ce3b755b-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION AF  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 5  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 ACCRA 6626  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 27 apr 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1613589  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** LABOR UNREST IN GHANA  
**TAGS:** ELAB, GH  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/ce3b755b-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014